

(d) the reasons for delay in taking action against the Company; and

(e) the action taken or proposed to be taken against the RBI officials found guilty in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Reserve Bank of India (RBI) conducted an inspection of the Registered Office of the CRB Capital Markets Ltd. in Delhi between 13.11.96 and 18.11.96 and of the Mumbai Office between 18.11.96 and 3.1.97. The inspection which was carried out with reference to its position as on 31.3.96, revealed that the company had violated RBI directions in regard to period and interest rates of deposits. The company had paid brokerage beyond the maximum permissible rates, accepted NRI deposits beyond the period for which the permission was granted by Exchange Control Department and violated SEBI regulations and guidelines while accepting money under the Portfolio Management Scheme (PMS). The inspection also pointed out that the company could not establish the bonafides of bills discounted.

(d) and (e) Government has asked the regulators, i.e. RBI and Securities and Exchange Board of India (SEBI) to undertake a thorough internal review of the regulatory actions in regard to these companies to see if there have been any lapses in application of regulations to CRB group of companies or in responding to warning signals, so that these deficiencies can be corrected.

[Translation]

PSUs in Navratna List

515. SHRI NITISH KUMAR:

JUSTICE GUMAN MAL LODHA:

SHRI SURESH KALMADI:

Will the Minister of INDUSTRY be pleased to state:

(a) the names of the public sector undertakings which have been including by the Government in the 'Navratna' List;

(b) the criteria fixed for selecting such undertakings;

(c) the peculiar benefits accruing to such undertakings by their inclusion in the 'Navratna' List;

(d) whether the Government have any plan to include more PSUs in the said list; and

(e) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) The Government have included the following 9 companies in the 'Navratna' list (alphabetical order):

Bharat Heavy Electricals Ltd.

Bharat Petroleum Corporation Ltd.

Hindustan Petroleum Corporation Ltd.

Indian Oil Corporation Ltd.

Indian Petrochemicals Corporation Ltd.

National Thermal Power Corporation

Oil & Natural Gas Corporation

Steel Authority of India Ltd.

Videsh Sanchar Nigam Ltd.

(b) and (c) The criteria for selection of the enterprises in the 'Navratna' List was size, physical and financial performance, nature of activity, future prospects and the potential to develop into world level players. The main benefits accruing to the undertakings included in the 'Navratna' List are the grant of substantially enhanced autonomy and operational freedom.

(d) and (e) No decision has been taken in this regard.

Plans for Setting up Village and Cottage Industries

516. SHRI GEORGE FERNANDES: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have any concrete and time-bound plans for setting up of village and cottage industries in the country;

(b) if so, the details thereof;

(c) if not, whether the Government propose to consider such detail plans; and

(d) if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) Government promotes Khadi and Village Industries in the country through the Khadi and Village Industries Commission (KVIC) which is a body created by the KVIC Act, 1956. Since its inception in 1956, KVIC has been promoting and funding Khadi and Village Industries throughout the country. At the end of the Eighth Five Year Plan, KVIC has achieved the employment level of 60.22 lakh persons. The IXth Plan Working Group on KVI Sector has recommended generation of additional employment of 46.71 lakhs by the terminal year of IXth Plan. The IXth Plan has not yet been finalised. Therefore the target for employment generation by the KVIC through KVI schemes during IXth Plan will depend on the Plan resources to be made available to the KVIC by the Government.

Important components of Rural Employment Generation Programme being implemented by the KVIC based on the recommendations of the High Power Committee are:-

(i) Enhancement of Khadi production;

(ii) 125 RPDS Blocks Programme;

(iii) District Special Employment Programme;

- (iv) National Programme on Leather, Handmade paper and Beekeeping; and
- (v) Special Projects in thrust areas.

[English]

Lending Patterns of RRBs

517. SHRI SUDHIR GIRI: Will the Minister of FINANCE be pleased to state:

- (a) in which respect the lending patterns of the Regional Rural Banks differ from those of the Commercial Banks;
- (b) the proposal of the Regional Rural Banks to enable them at par with the Commercial Banks; and
- (c) the reasons for discarding these proposals?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Regional Rural Banks (RRBs) were established with a view to developing the rural economy by providing credit and other facilities particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs in the rural sector. Consistent with these objectives, the branch net work of RRBs has expanded primarily in the rural areas and the thrust of lending operations of RRBs has been on target group beneficiaries in rural areas within their area of operation.

However, sustained viability of operations is necessary if the RRBs are to meet the objectives for which these have been established. Accordingly, the Government/Reserve Bank of India (RBI) have taken a number of steps to improve viability of operations of RRBs which cover, inter-alia, deregulation of interest rates, widening the range and scope of services like purchase and discounting of drafts/cheques and issue of guarantees, financing of non target groups, participation in risk bearing and non risk bearing participation certificates and provision of housing loans etc.

In addition to these, RBI have recently stipulated that beginning 1st April, 1997, the advances of RRBs to priority sector borrowers should constitute 40% of their outstanding advances as in the case of Commercial Banks. Further, as a part of revamping of RRBs, the Government have provided recapitalisation support to select RRBs for cleansing up of balance sheets. Preparation of Development Action Plans (DAPs) and execution of Memoranda of Understanding (MOUs) by the RRBs with various sponsor banks, on an annual basis, have significantly contributed to improve performance of RRBs.

The above steps have been taken to, inter-alia, provide a level playing field to RRBs, especially in the areas of investment and lending opportunities and to enable them to perform their functions in a viable and sustainable manner.

While no specific proposals in regard to lending policy have been discarded relaxations have been made, in a

phased manner, on restrictions on lending, branch expansion and investment of surplus resources subject to availability of necessary expertise and resources with RRBs.

Smuggling of Cardamom from Guatemala

518. PROF. P.J. KURIEN: Will the Minister of FINANCE be pleased to state:

- (a) whether it has come to the notice of the Government that low quality cardamom from Guatemala is smuggled into India;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to stop such activity?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Intelligence reveals smuggling of Cardamom of third country origin especially from Indo-Nepal border into India. It is, however, not possible to estimate the details of such smuggling. Field formations are, alert to detect and prevent smuggling of cardamom and other spices.

Write off Loans

519. SHRI SATYA PAL JAIN:

SHRI R.L. BHATIA:

SHRI SUKHBIR SINGH BADAL:

Will the Minister of FINANCE be pleased to state:

- (a) whether any representation has been received by the Union Government from the Government of Punjab in regard to writing off the loan received by it from the Union Government to deal with terrorism;
- (b) if so, the details thereof; and
- (c) the reaction of the Union Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) The State Government has submitted a number of requests for additional assistance including repayment of the outstanding Special Term Loans advanced to the State during the period of militancy (from 1984-85 to 1993-94). The matter is being processed for final decision.

[Translation]

Silk Yarn

520. SHRI DATTA MEGHE: Will the Minister of TEXTILES be pleased to state:

- (a) the total production of silk yarn in Maharashtra during the last two years;
- (b) whether the State has a vast potential of producing and exporting silk yarn; and